KR INVESTMENT LTD.
Management's Discussion and Analysis
For the three month period ended November 30, 2012

DATE – JANUARY 29, 2013

This management's discussion and analysis (the "**MD&A**") of KR Investment Ltd. (the "**Company**") is dated January 29, 2013. The MD&A should be read in conjunction with the Company's unaudited Financial Statements and related notes thereto for the three month ended November 30, 2012 and 2011, copies of which are available on SEDAR at www.sedar.com.

As of September 1, 2011, the Company adopted International Financial Reporting Standards ("**IFRS**"). The Financial Statements for the year ended August 31, 2012 and 2011 have been prepared in accordance with IFRS. A discussion of IFRS and its impact on the Company's financial presentation is presented in this MD&A under the heading Critical Accounting Estimates & Changes in Accounting Policies including Initial Adoption.

All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

FORWARD-LOOKING STATEMENT

This MD&A includes certain forward-looking information and forward-looking statements (collectively "**Forward-Looking Statements**") concerning the future performance of the Company's business, operations and financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. Specifically, this MD&A includes Forward-Looking Statements regarding that "the Company will continue to incur expenses as it continues to identify and evaluate potential companies, assets or business for the Qualifying Transaction", "it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments", "if the Company fails to complete a Qualifying Transaction within 24 months of listing, the Exchange could suspend or delist the common shares of the Company", "in the event that the Company does not complete its Qualifying Transaction within the time specified by the Exchange, an interim cease trade order may be issued against the Company's securities by the securities regulatory authorities and the Company's securities may be suspended from trading on, or delisted from, the Exchange" and "although management of the Company is working diligently to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed within the specified time, or at all". Forward-Looking Statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-Looking Statements are based on the current opinions and expectations of management based on currently available information. All Forward-Looking Statements are inherently uncertain and subject to a variety of risks and uncertainties, as described in Risks and Uncertainties below. Such Forward-Looking Statements are based on a number of assumptions, including but not limited to, information or statements concerning the Company's expectations for its ability to raise capital and meet the Company's obligations. Should one or more risks and uncertainties materialize or should any assumptions prove incorrect, then actual events or results may differ materially from those expressed or implied in the Forward Looking-Statements. Investors are cautioned against placing undue reliance thereon. The Company undertakes no obligation to revise or update the Forward-Looking Statements, except as required by applicable law.

OVERALL PERFORMANCE

Corporate Structure and History

The Company was incorporated under the *Business Corporations Act* (British Columbia) on August 3, 2010 as "KR Investment Ltd.". On January 17, 2011, the Company became a reporting issuer in the Provinces of British Columbia and Alberta, and on March 24, 2011, the Company completed its initial public offering. On March 29, 2011, the common shares of the Company commenced trading on the TSX Venture Exchange (the "**Exchange**") under the symbol "KR.P".

The Company is classified as a "Capital Pool Company" as that term is defined in Policy 2.4 of the Exchange ("**Policy 2.4**").

Description of Business

The principal business of the Company is to identify and evaluate companies, assets or businesses with a view to completing a "Qualifying Transaction" as that term is defined in Policy 2.4.

The Company has commenced and is in the process of identifying and evaluating potential companies, assets or businesses for the Qualifying Transaction; however, the Company has not yet entered into any "Agreement in Principle" as that term is defined in Policy 2.4. As at the date hereof, the Company has no assets other than a minimum amount of cash.

SELECTED ANNUAL FINANCIAL INFORMATION

The financial results of the Company for the three financial years ended August 31, 2012, 2011 and 2010 are summarized as follows:

	IFRS Year Ended August 31, 2012 ($)	IFRS Year Ended August 31, 2011 ($)	IFRS Year Ended August 31, 2010 ($)
Total Revenue	Nil	Nil	Nil
Loss before discontinued operations			
(i) total for the year	66,065	124,044	4,459
(ii) Per share	0.01	0.03	0.03
(iii) Per share fully diluted	0.01	0.03	0.03
Net loss			
(i) total for the year	66,065	124,044	4,459
(ii) Per share	0.01	0.03	0.03
(iii) Per share fully diluted	0.01	0.03	0.03
Total Assets	187,868	254,137	210,200
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per-share	Nil	Nil	Nil

During the year ended August 31, 2012, the Company had a net loss of $66,065 consisting of professional fees of $21,480 (2011 - $59,149), rent expenses of $20,000 (2011 - $8,960), transfer agent and filing fees of $14,998 (2011 - $16,935) and travel expenses of $7,987 (2011 - $1,262).

The decrease in professional fees is due to the legal fees attributable to the compliance with the requirements established by TSX Venture Exchange related to its initial public offering completed in 2011. The increase in rent expenses is due to its longer rental period in 2012 compared to the period in 2011. The increase in travel expenses is due to travels of its directors to identify acquisition targets in order to complete the qualifying transaction.

DISCUSSION OF OPERATIONS

Three months ended November 30, 2012 and 2011

The financial results of the Company for the three months ended November 30, 2012 and 2011 are summarized as follows:

	Three Months Ended November 30, 2012 ($)	Three Months Ended November 30, 2011 ($)
Net Income (loss)	(12,842)	(18,114)
Basic/diluted Income (loss) per share	(0.00)	(0.00)
Total Assets	186,522	245,297
Total Liabilities	23,691	21,673

During the three months ended November 30, 2012, the Company had a net loss of $12,842 consisting of among others accounting and legal expenses of $11,700 (2011 - $9,806), transfer agent and filing fees of $883 (2011 - $1,181) and rent of $Nil (2011 - $6,000).

The decrease of loss for the three month period ended November 30, 2012 was mainly due to the absence of rent expenses as the lease agreement was expired as of June 30, 2012. In addition, there was the decrease in professional and training expenses, transfer agent and filling fees compared to the corresponding period in 2011. The decrease was offset by a slight increase in accounting and legal fees due to an increase in professional fees related to its financial statements audit.

Statements of Financial Position as at November 30, 2012 and August 31, 2012

As at November 30, 2012, the Company had total assets of $186,522 compared to $187,868 as at August 31, 2012. As at November 30, 2012, the Company's assets comprised of cash and cash equivalents of $183,932 (August 2012 - $185,625) and amount receivable of $2,590 (August 2012 - $1,950).

As at November 30, 2012, the Company had accounts payable and accrued liabilities of $12,591 (August 2012 - $1,095) and a due to a related party of $11,100 (August 2012 - $11,100).

SUMMARY OF QUARERLY RESULTS

The following selected financial information is derived from the unaudited condensed interim financial statements of the Company for each of the eight most recently completed quarters:

Three Months Ended	IFRS November 30, 2012 ($)	IFRS August 31, 2012 ($)	IFRS May 31, 2012 ($)	IFRS February 29, 2012 ($)
Total Assets	186,522	187,868	201,423	222,018
Working Capital (Deficiency)	162,831	175,673	188,854	196,698
Shareholders' Equity	162,831	175,673	188,854	196,698
Income (loss)	(12,842)	(13,181)	(7,844)	(26,926)
Income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

Three Months Ended	IFRS November 30, 2011 ($)	IFRS August 31, 2011 ($)	IFRS May 31, 2011 ($)	IFRS February 28, 2011 ($)
Total Assets	245,297	254,137	263,231	161,398
Working Capital (Deficiency)	223,624	241,738	248,977	146,105
Shareholders' Equity	223,624	241,738	248,977	146,105
Income (loss)	(18,114)	(7,239)	(61,908)	(17,242)
Income (loss) per share	(0.00)	(0.00)	(0.01)	(0.00)

During the three months ended November 30, 2012, the Company reported a net loss of $12,842 compared to a net loss of $18,114 for the corresponding period in 2011. A decrease of $5,272 is primarily due to the absence of the rent expense as the lease agreement was expired as of June 30, 2012. In addition, there was the decrease in professional and training expenses, transfer agent and filling fees compared to the corresponding period in 2011. The decrease was offset by a slight increase in accounting and legal fees due to an increase in professional fees related to its financial statements audit.

LIQUIDITY AND CAPITAL RESOURCES

The financial results for the three months ended as well as at November 30, 2012 and 2011 are summarized as follows:

	Three Months Ended November 30, 2012 ($)	Three Months Ended November 30, 2011 ($)
Cash used in Operating Activities	(1,693)	(9,868)
Increase (decrease) in Cash and Cash Equivalents	(1,693)	(9,868)
Cash and Cash Equivalents – Beginning of Year	185,625	254,105
Cash and Cash Equivalents – End of Year	183,932	244,237

	As at November 30, 2012 ($)	As at November 30, 2011 ($)
Cash and Cash equivalents	183,932	244,237
Total Assets	186,522	245,297
Total Liabilities	23,691	21,673
Share Capital	317,207	317,207
Total Shareholders' Equity	162,831	223,624
Total Liabilities and Shareholders' Equity	186,522	245,297

As at November 30, 2012, the Company had cash and cash equivalents of $183,932 and net working capital of $162,831.

As at November 30, 2011, the Company had cash and cash equivalents of $244,237 and net working capital of $223,624.

OFF-BALANCE SHEET ARRANGEMENTS

As at November 30, 2012, and up to the date of this MD&A, the Company has had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

On May 1, 2011, the Company entered into a lease agreement with a company controlled by a director of the Company for the year commencing May 1, 2011 and expired on March 31, 2012 for the amount of $2,000 per month. The said the lease was renewed for an additional term of three months from April 1, 2012 to June 30, 2012.

During the period ended November 30, 2012, the Company paid a total of $Nil (2011 - $6,000) for office premises provided by a company controlled by a director of the Company.

As at November 30, 2012, a director of the Company had advanced $11,100 (2011 - $11,100) to the Company. This advance is unsecured, non-interest bearing and due on demand.

These transactions were in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

SUBSEQUENT EVENTS - PROPOSED TRANSACTIONS

Subsequent to the three months ended November 30, 2012, the Company has entered into a binding letter of intent effective January 15, 2013 with a private Calgary, Alberta-based company (the "Vendor") to acquire an undivided 20% working interest in certain petroleum and natural gas rights, certain related tangible assets and other miscellaneous interest (the "Purchased Assets") located in Alberta. The transaction contemplated will constitute the Qualifying transaction of the Company under TSX Venture Exchange Policy 2.4 Capital Pool Companies. Exchange approval is pending.

The purchased assets comprise 20% working interest in an aggregate of 193.40 hectares of oil and gas mineral rights and other related assets located in the Provost area of Northeast Alberta, currently producing 85 barrels of oil per day.

As consideration for the Purchased Assets, the Company will pay the Vendor the sum of $1,339,000, in cash on the closing date. In addition, the Vendor has granted the Company an option, exercisable on or before one year from the closing date of the Proposed Acquisition, to acquire the remaining 79.99% working interest (the "Optioned Assets") held by the Vendor. As consideration of the proposed acquisition, the Company will pay the Vendor the sum of $150,000 in cash on the closing date of the Option within the option period, will be $5,206,000, payable in cash. The Option is an option only and the Company is under no obligation to exercise the Option or to complete the acquisition of the Optioned assets.

Management

In conjunction with the Proposed Acquisition, the Company intends to appoint Messrs. Steve Loo, Vinod Kumar and Mr. Quinton Rafuse to the board of directors. Mr. S. John Kim is a current director and will remain a director upon completion of the Qualifying Transaction. Certain other current members of the board are expected to resign as directors and /or officers on or before closing. Certain of the resulting and /or incoming directors of the Company may acquire some or all of the shareholdings of any departing directors on terms to be agreed upon between the resulting directors and the departing director(s).

Mr. Loo is a businessman with experience in creating, financing and managing businesses in Canada, Hong Kong and elsewhere in China. Mr. Loo is a Certified General Accountant and a member in good standing of the CGA Association of Canada. Mr. Loo was, from October 2007 to November 2010, the founder, President, Chief Executive Officer and director of Global Key Investment Limited ("Global Key"), a company listed on the Exchange. Global Key was a "capital pool company" and completed its Qualifying Transaction on March 26, 2009.

Dr. Kumar is currently a professor of Technology and Operations Management at the Sprott School of Business at Carleton University in Ottawa, Ontario. Dr. Kumar is also the current head of the Manufacturing Systems Centre at Carleton University. Dr. Kumar was, from 2007 to 2011, a director of Global Key.

Mr. Rafuse is a petroleum geologist with over 15 years of diverse oil and gas experience with a Bachelor of Science in Geology from the University of Calgary. Mr. Rafuse is currently Managing Director of Agilis Partners, a technical advisory firm specializing in business development for clients worldwide. He has held technical and leadership positions for various domestic and international operators, including Encana Corporation, Ember Resources, Avere Energy (now East West Petroleum) and Sonoro Energy.

Mr. Kim has been a director and has acted in the capacity of Chief Financial Officer of Mount Dakota Energy Corp., an oil and gas company listed on the Exchange, since November 1994. Since October 25, 2007, Mr. Kim has also served as a director of Global Key.

Financing

Concurrently with the Proposed Acquisition, the Company will undertake a non-brokered private placement (the “Offering”) of up to 18,000,000 common shares at a price of $0.10 per common share for gross proceeds of $1,800,000. The Company will use the net proceeds of the Offering to pay the purchase price for the Purchased Assets, to pay for the costs of the Qualifying Transaction and for general working capital. It is not anticipated that any current insiders will participate in the Offering. After giving effect to the Offering, the Company will have 24,000,000 issued and outstanding common shares. In addition, the Company has stock options entitling the holders to acquire up to 400,000 common shares of the Company. Stock options granted to insiders who cease to be Eligible Optionees (as such term is defined pursuant to the policies of the Exchange) after completion of the Qualifying Transaction will expire within the time limit set forth in such policies.

Sponsorship

On January 16, 2013, the Company signed with Raymond James Ltd. (“Sponsor”) to act as the Company’s sponsor for its Qualifying Transaction. The Company will pay the Sponsor $40,000 plus tax and 100,000 common shares of the Company. The Company will also be responsible for expenses incurred by the Sponsor which is estimated at $35,000.

CRITICAL ACCOUNTING ESTIMATES & CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

As at November 30, 2012, the Company was a “venture issuer” as that term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*, and as such is not required to provide the information pertaining to the critical accounting estimates of the Company.

For a detailed summary of the Company's accounting policies, the reader is directed to Note 4 of the Notes to the audited Financial Statements of the Company dated November 30, 2012 available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts payable and due to a related party. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments.

RISKS AND UNCERTAINTIES

The Company is a Capital Pool Company as that term is defined in Policy 2.4. If the Company fails to complete its Qualifying Transaction within 24 months of listing, the Exchange could suspend or delist the common shares of the Company. In the event that the Company does not complete its Qualifying Transaction within the time specified by the Exchange, an interim cease trade order may be issued against the Company's securities by the securities regulatory authorities and the Company’s securities may be suspended from trading on, or delisted from, the Exchange. Although management of the Company is working diligently to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed within the specified time, or at all.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The required additional disclosure concerning the Company is contained in the unaudited Condensed Interim Financial Statements and related notes thereto for the three months ended November 30, 2012 and 2011.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at January 29, 2013, there were 6,000,000 common shares without par value of the Company issued and outstanding.

On March 24, 2011, the Company completed its initial public offering of 2,000,000 common shares without par value of the Company, bringing the total issued and outstanding of the Company from

4,000,000 to 6,000,000 common shares without par value. In addition, pursuant to the initial public offering of the Company, the Company issued 200,000 agent's options to Raymond James Ltd. exercisable for a period of 24 months from the date the common shares were listed on the Exchange, exercisable at a price of $0.10 per share and further issued 400,000 incentive stock options to directors and officers of the Company under the Company's stock option plan, exercisable for a period of 10 years from the date the common shares were listed on the Exchange, exercisable at a price of $0.10 per share.

ADDITIONAL INFORMATION

Additional information relating to the Company can also be found on SEDAR at www.sedar.com.